

Applicants cannot assume that the rejection under 35 U.S.C. §112 applies to all of the pending claims. As best as can be understood, the rejection of claim 1 under 35 U.S.C. §112 was particularly directed to the recitation of actions being performed "externally" of the smart card. That term does not appear in all of the currently pending claims (see, for example, claim 2). Thus it is not apparent which claims, if any, are subject to a rejection under 35 U.S.C. §112.

If all pending claims are not allowed, Applicants respectfully request that an Office Action be issued which identifies the claims that are rejected, and an explanation of the grounds of rejection for each such claim.

Despite the lack of clarity of the record, Applicants will address the discussion of the rejection under the first paragraph of 35 U.S.C. §112, set forth in the Office Action dated December 21, 2005. In that Action, the Examiner stated that "all removable and portable objects...are not external to a *system*" (emphasis added). The discussion goes on to refer to computer systems that use external hard disks or CD ROMs for storage. It is respectfully submitted that this discussion is not pertinent to the subject matter of the currently pending claims.

Specifically, the claims do not recite operations that take place externally to some undefined *system*. For example, claim 3 recites that the counting operation takes place "externally of the *smart card*". A smart card is a discrete, physical object. A person of ordinary skill in the art can readily determine whether a particular operation is occurring internally of the smart card, i.e., being carried out by the smart card's processor. If the claimed operation is carried out by structure other than that which forms part of the smart card, a person of ordinary skill in the art would understand that to be an external operation. In the present application, as explained

in Applicants' previous responses, the counting operation might be carried out in the security circuit 7. This circuit does not form part of the smart card 5, and therefore operations that it performs are external to the smart card.

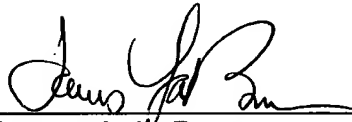
It is respectfully submitted that, when the specific language of the claims is considered, it will be appreciated that Applicants have provided an enabling disclosure that teaches a person of ordinary skill in the art how to make and use the claimed subject matter. Accordingly, it is respectfully submitted that the claims comply with the first paragraph of 35 U.S.C. §112.

Respectfully submitted,

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Date: December 14, 2006

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